Sir, I lay the Bills on the Table.

MR. CHAIRMAN: Now, hon. Members, we have finished only two Special Mentions and there are still five more. There are fifteen Members to speak. Should we continue and take up the Finance Bill at two. ...*(Interruptions)*...

SHRI PRANAB MUKHERJEE (West Bengal): Sir, today we are taking up the Finance Bill and the Finance Bill is the most important piece of legislation. We must give some proper time to it because the whole session we have hardly devoted any time to the transaction of the financial business. Therefore, the Special Mentions can be taken up after the normal business is over, if the hon. Members are so interested. Otherwise, it should spill over to some other day.

MR. CHAIRMAN: Okay. The House is adjourned till two o' clock.

The House then adjourned for lunch at one of the clock.

The House reassembled after lunch at four minutes past two of the clock, the Vice-Chairman (Shri Adhik Shriodkar) in the Chair.

STATEMENT BY MINISTER

Non- Proliferation Treaty

THE VICE-CHAIRMAN (SHRI ADHIK SHIRODKAR): Shri Jaswant Singh, the Minister of External Affairs, to make a statement on the Non-Proliferation Treaty Review Conference.

THE MINISTER OF EXTERNAL AFFAIRS (SHRI JASWANT SINGH): Sir, the Sixth Nuclear Non-Proliferation Treaty (NPT) Review Conference is currently taking place in New York. Consistent with our policy India is not attending the Conference.

Since Independence India has been a strong proponent of global nuclear disarmament and has taken numerous initiatives towards this objective. We remain committed to nuclear non-proliferation. India holds that genuine and lasting non-proliferation can only be achieved through agreements that are based upon equality and non-discrimination, for only these can contribute to global peace and stability.

In 1995, the NPT was extended indefinitely and unconditionally. Hon. Members would be aware that 187 countries are today parties to the NPT. The proponents of the NPT cite these developments as evidence of the NPT's success; yet, it is also clear that there exist strong differences even amongst the NPT States Parties. Three of the five Review Conferences held so far failed to reach any agreement on a 'final document.' The non-nuclear weapon States Parties to the NPT have increasingly felt let down by the lack of progress on disarmament, as well as non-compliance with the basic provisions of the Treaty. The nuclear weapon States Parties to the NPT and their allies have not diminished the role of nuclear weapons in their respective or collective security calculus; on the contrary, new doctrines and justifications have been developed. The NATO's new strategic concept, announced last year, ten years after the end of the Cold War, goes to re-emphasising a need for the continued retention of nuclear weapons. The nuclear weapons sharing arrangements within the NATO also pose serious questions about compliance. Such developments are clear and continuing violations of the provisions of the NPT. This, the NPT community, has been unable to discuss, let alone deal with.

One of the basic obligations of the nuclear-weapon-States, under the NPT, was to prevent further proliferation. The record on this has also not been satisfactory. The nuclear-weapon-States have either been active collaborators in or silent spectators to continuing proliferation, including exports of nuclear weapon-related components and technologies.

After more than three decades, the nuclear weapon States Parties to the NPT remain to be persuaded to begin any kind of collective, meaningful negotiationsaimed at global nuclear disarmament. These countries were expected to display a special responsibility to implement Article VI; instead, this special responsibility today appears to be arrogated as a permanent special right to possess nuclear weapons and only for their exclusive security.

India is a nuclear weapon State. Though not a party to the NPT, India's policies have been consistent with the key provisions of the NPT that apply to nuclear weapon States. These provisions are contained in Articles I, III and VI. Article I obliges a nuclear weapon State not to transfer nuclear weapons to any other country or assist any other country to acquire them and India's record on non-proliferation has been impeccable. Article

III requires a party to the Treaty to provide nuclear materials and related equipment to any other country only under safeguards; India's exports of such materials have always been under safeguards. Article VI commits the parties to pursue negotiations to bring about eventual global nuclear disarmament. It needs to be emphasised that India, today, is the only nuclear weapon State that remains committed to commencing negotiations for a Nuclear Weapons Convention, in order to bring about a nuclear-weapon-free-world, the very objective envisaged in Article VI of the NPT.

After the tests undertaken by India in May, 1998, we have declared that India shall only maintain a minimum credible deterrent and not to engage in any arms race. The role of India's nuclear weapons is defensive; accordingly, India has announced a policy of no-first-use and a policy of non-use against non-nuclear weapon States. In fact, this meets the demand of unqualified negative security assurances, raised by the large majority of non-nuclear weapon States to ensure their security. India has also indicated readiness to provide requisite assurances to the nuclear-weapon-free-zones in existence or those being negotiated. We have also taken new initiatives calling for de-alerting of nuclear weapons as a means of reducing the risk of accidental or unauthorised launch.

The NPT community needs to understand that India cannot join the NPT as a non-nuclear weapon State. Statements by the NPT States Parties about India rolling back its nuclear programme are mere diversions to prevent focussed attention on the basic goals of the NPT.

India's commitment to global nuclear disarmament and lasting non-proliferation remains undiluted. While willing to commence negotiations on Nuclear Weapons Convention, India also remains ready to participate in agreed and irreversible steps to prepare the ground for such negotiations. A global non-first-use agreement and a non-use agreement against non-nuclear weapon States would meet the longstanding requirement for legally binding negative security assurances and assurances to nuclear-weapon-free zones. Another positive development would be a commitment by nuclear weapon States not to deploy nuclear weapons outside their own national territories. Nuclear weapon States also need to take steps to lower the alert status, through gradual de-alerting actions, consistent with policies of no-first-use and the defensive role of nuclear weapons. Tactical weapons that lend themselves to war fighting roles need

to be eliminated. These would be some positive and concrete steps in the right direction.

India has been a responsible member of the international nuclear non-proliferation regime and will continue to take initiatives and work with like-minded countries to bring about stable, genuine and lasting non-proliferation, thus leading to a nuclear-weapon-free-world.

Thank you, Sir. I would happy to provide clarifications tomorrow, or at any stage, as directed by you.

SHRI PRANAB MUKHERJEE (West Bengal): As the Minister has some commitment, we can seek clarifications tomorrow because this is an important staement, on which we would like to seek clarifications.

THE VICE-CHAIRMAN (SHRI ADHIK SHIRODKAR): Will that be alright, Mr. Minister.

SHRI JASWANT SINGH: Yes, Sir; indeed.

THE FINANCE BILL, 2000

[THE VICE-CHAIRMAN, (SHRI SURESH PACHOURI), IN THE CHAIR]

THE VICE-CHAIRMAN (Shri Suresh Pachouri): Now, we take up the Finance Bill, 2000, allotted time is four hours. Shri Yashwant Sinha.

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): Sir, I rise to move:

> "That the Bill to give effect to the financial proposals of the Central Government for the financial year 2000-2001, as passed by Lok Sabha, be taken into consideration."

Sir this Bill was introduced in the Lok Sabha on 29th February, 2000, and, thereafter, passed on 4th May, 2000. It has now been referred to this House for consideration and return. Sir, a large number of suggestions in regard to the proposals made in the Finance Bill, 2000 had